

Term

Human Development Index

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Definition

The Human Development Index (HDI) provides a composite measure of well-being. All countries included in the HDI are classified into one of three clusters according to achievements in human development: high, medium, or low.¹

Relevancy

The goal of the "Top 15 Vision" is to see Israel achieve a significant socioeconomic advancement that would put Israel among the 15 leading countries in terms of Quality of Life within fifteen years.²

Quality of Life is a subjective term determined by various components. Numerous indices attempt to measure the Quality of Life of individuals in different countries. The most prominent indices among them are the Economist's Quality of Life Index, the UN Human Development Index, and the Quality of Life chapter in the OECD Factbook. These indices utilize a range of methodologies and examine diverse components of Quality of Life.

In order to pursue the Top 15 Vision, the Government of Israel should first define the key components relevant to Quality of Life³ in Israel. Thus the Reut Institute identified four main areas that affect Quality of Life in Israel directly and enable a basis for comparison to other countries:

- **Economic Security** is a person's ability to financially support himself and his family. It is determined by his material wellbeing (income level) and human capital development, as well as the presence of environment supporting growth.⁴
- **Social Wellbeing** is a person's desire and ability to identify with society and to be an active member of it. It is determined by the amount of trust in the government's ability to design, plan and execute policies, the scope of an individual's rights and liberties, and the sense of belongingness to one's community and nation.⁵
- **Personal & Physical Security** refers to an individual's safety from harm to his life and property. It is determined by the health services, the quality of the environment, and the protection from criminal violence, war & terrorism that the state provides.⁶
- **The Jewish Added Value** refers to the amount of satisfaction an Israeli Jew draws from being part of the fulfillment of the Zionist vision.

¹ 'High Human Development' is designated as an HDI of 0.8 or above, 'Medium Human development' as an HDI of 0.5-0.799, and 'Low Human Development' as an HDI of less than 0.5.

² See: Reut Institute paper: [Top 15 Vision](#).

³ See: Reut Institute paper: Quality of Life.

⁴ See Reut concept: Economic Security

⁵ See Reut concept: Social Wellbeing

⁶ See Reut concept: Personal & Physical Security

The Human Development Index examines two areas of Quality of Life in Israel: the Economic Security and the Personal & Physical Security.

Israel in Comparison to the Top 15

According to 2006 Index⁷, Israel is ranked 23rd out of 117 countries. With a score of 0.927, Israel is included in the 'High Human Development' category. Israel's ranking has not changed significantly since 2000. The three leading countries in descending order are: Norway, Iceland, and Australia.

⁷ The 2006 HDI is based on data from 2004.

Publisher

The United Nations Development Programme (UNDP) publishes the Index as part of the Human Development Report. The UNDP aims to advocate for change and connect countries to knowledge, experience and resources.⁸

Structure and Limitations

In order to find common ground between various countries with different characteristics the Human Development Index focuses on three dimensions which enable a comparative analysis of human development:

- **Health** - Measured by life expectancy at birth.
- **Education** - Measured by adult literacy and enrolment at the primary, secondary and tertiary level.
- **Material Wellbeing** - Measured by GDP per capita, calculated at PPP.

The HDI provides data on each country's categorization, overall performance, and sub-index scores.

The ability of the HDI to evaluate Quality of Life in Israel is limited due to both the small number of topics addressed as well as the one-dimensional analysis of each topic.

The Human Development Report itself notes: "The indicators chosen are not necessarily those that best differentiate between rich countries. The indicators currently used in the index yield very small differences among the top HDI countries, and thus the top of the HDI ranking often reflects only very small differences in these underlying indicators."⁹

Data Sources

The underlying data in the Human Development Index is collected from the following sources: The 2004 Revision of World Population Prospect,¹⁰ the United Nations Educational, Scientific and Cultural Organization (UNESCO),¹¹ and the World Bank.¹²

Usage

The HDI provides a view of the progress of development around the world by analyzing factors that affect Human Development and the connection between them. While the HDI is less useful for developed countries, the index does highlight countries with low human development and raises the awareness of challenges in their way to a higher level of Human Development.

⁸ For more information: See the [United Nations Development Programme](#) website.

⁹ United Nations Development Programme, [Human Development Report](#), 2006, pp. 279.

¹⁰ This is the official source of UN population estimates and projections. The prospect is prepared biannually by the Population Division of the United Nations Department of Economic and Social Affairs using data from national vital registration systems, population censuses and surveys. See [World Population Prospects](#), 2004.

¹¹ UNESCO Institute for Statistics (UIS) gathers data from national censuses and surveys between 2000 and 2005. See: [UNESCO Institute for Statistics](#).

¹² International Comparison Program (ICP) conducts a survey to gather price data and GDP in local currency. See: [The World Bank, Data and Statistics](#).